GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1966
ANSWERED ON:03.08.2001
LOSSESS TO ICICI
CHANDRA NATH SINGH;VINAY KUMAR SORAKE

Will the Minister of FINANCE be pleased to state:

(a): whether the attention of the Government has been drawn to the news-item captioned `ICICI posts net loss of Rs.257 crore in Q4` appearing in `Business Standard` dated May 4, 2001;

(b): whether ICICI has posted an all time high 4th Quarter loss (ending March, 2001) of Rs.257.00 crores against a profit of Rs.395.00 crores for the corresponding quarter last year;

(c): if so, the reasons therefore; and

(d): the steps taken by the Government for improving the performance of ICICI?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) Yes, Sir.

(b) to (d): In tune with the international practice ICICI resorted to enhanced provisioning against its Non Performing Assets (NPAs).As per revised provisioning policy ICICI made aggregate provisions and write-offs of Rs.1421crores in 2000-2001 including Rs.608 crores made as per the requirements of RBI guidelines and accelerated provisions and write-offs of Rs.813 crores.The entire provisioning was done in the fourth quarter leading to a loss of Rs.257 crores in the quarter ending March 31, 2001 (Quarter 4, 2001) and a net profit of Rs.537 crores in financial year 2000-2001. These provisioning and write-offs are only an accounting loss and not an economic loss for ICICI